



**Annual
Report
1965**

AR30

THE OGILVIE FLOUR MILLS COMPANY, LIMITED

THE OGILVIE FLOUR MILLS COMPANY, LIMITED

DIRECTORS

Arthur Atkins
L. J. Belnap
Paul Bienvenu
H. Norman Davis
F. H. Dunsford
G. Arnold Hart
P. M. Laing, Q.C.
H. Greville Smith
J. W. Tait, C.A.
A. Murray Vaughan

OFFICERS

Arthur Atkins
President
J. W. Tait, C.A.
Executive Vice-President
G. J. Dunne
Vice-President, Starch & Chemicals
G. B. MacLean
Vice-President, Export
F. H. Mount
Vice-President, Marketing
F. T. Rea
Vice-President & Secretary
A. J. C. Willis
Vice-President, Production
C. F. Brown, C.A.
Treasurer
R. R. MacDougall, F.C.I.S.
Assistant Secretary-Treasurer
B. F. Grant, R.I.A.
Comptroller

TRANSFER AGENT

The Royal Trust Company
Montreal, Toronto & Winnipeg

REGISTRAR

Montreal Trust Company
Montreal, Toronto & Winnipeg

BANKERS

Bank of Montreal

AUDITORS

Creak, Cushing & Hodgson

Nov 12/65

Financial highlights

	1965	1964
Sales	\$107,167,000	\$127,443,000
Net income *	3,016,000	2,925,000
Total net earnings	4,104,000	3,535,000
Dividends paid	2,389,000	2,385,000
Investment in property	18,253,000	18,719,000
Working capital (investments at market)	27,943,000	28,541,000
Operating earnings per share	.96	.93
Total net earnings per share	1.32	1.13
Net worth per share (investments at market)	14.94	14.78
Dividends per share	.75	.75
Number of common shareholders	7,404	6,813
Number of employees	3,262	3,353

* not including profit on sale of investments and fixed assets and after deducting minority interest

Report to the Shareholders

We are pleased to report on a year of satisfactory operations. Shareholders will note that, for the first time, we are reporting on a fully consolidated basis — that is, in addition to consolidating operations of the parent company with our investment subsidiaries and Lake of the Woods Milling Company, Limited we are now including in our statements all other subsidiaries, of which the principal ones are Catelli Food Products, Ltd., Ault Milk Products Limited and Inter City Baking Company, Limited.

EARNINGS

Consolidated net income for the year, not including profit from sale of investments and fixed assets, amounted to \$3,016,000 or 96¢ per common share. This compares with \$2,925,000 or 93¢ per share for the previous year. The profit on sale of investments (\$891,000) and fixed assets (\$197,000) totalled \$1,088,000.

OPERATIONS

Due to the sharp reduction in sales to the U.S.S.R., which accounts for the substantial decline in sales volume, earnings from flour operations were somewhat lower than last year. Domestic flour business held steady during the year. Export volume to traditional markets showed a moderate decline. Sales of cereals, cake mixes and animal and poultry feeds were approximately the same.

The Starch and Chemical Division continued to show improvement and the Fort William Starch Plant operated at maximum capacity. Capacity of this plant was increased during the year and plans have been completed for a further 25% increase during the coming year.

Arrangements have been made to acquire a 50% interest in a small starch and gluten plant in Venezuela. While the cash investment will not be large, contribution of our experience and the use of our processes should assure growth for the operation. A good return is expected from this investment.

The new Research quarters at Montreal have enabled us to expand our research staff and their activities. Valuable work has been completed during the past year on the improvement of present products and the development of new

products from our flour mills and Starch and Chemical Division.

During the year we acquired almost all of the "A" shares of Catelli Food Products, Ltd. and we now own 99% of all outstanding shares. Sales and profits of Catelli have reached an all-time high.

While our Western bakery affiliates have shown good progress during the year, our subsidiary and affiliated baking companies in Eastern Canada are continuing to experience a very difficult time. Reorganization of these companies has taken place and there has been considerable improvement in the quality of products and service. To date this improvement has not been reflected in the financial results, due to severe price competition.

FINANCIAL

A number of important changes have been made in our Balance Sheet and statements of Income and Expenditure and Earned Surplus this year following on the decision to present fully consolidated accounts and in conformity with the provisions of the new Canada Corporations Act.

In order that a proper comparison can be made, last year's figures have been restated to reflect these changes.

The Balance Sheet item shown last year under the caption "Investment in Subsidiary Companies — not Consolidated" has been replaced by the assets and liabilities of these subsidiaries shown under the appropriate headings. The consolidated earned surplus account has been adjusted to reflect the difference between the price paid for the investment in these companies and their underlying book values.

The reserve deducted from Inventories last year, the reserve for Marketable Securities and the Rest Account have been transferred to the Consolidated Earned Surplus account. Inventories are now valued at the lower of cost or market and marketable securities are carried at cost.

An estimate has been made of the net cost of funding past service pension benefits, most of which relates to subsidiary companies, and the amount reserved for this purpose has been charged to consolidated earned surplus.

The "Minority Interest in Subsidiary Companies" consists almost entirely of the shares of Catelli Food Products,

Ltd., held by minority shareholders at August 31st, 1965, most of which have since been acquired.

Net Capital Expenditures during the year amounted to \$1,587,000 and included expansion of capacity for the production of starch at Fort William and the construction by Ault Milk Products Limited of a new plant for the production of cheddar cheese in Winchester, Ontario.

Regular quarterly dividends of 15¢ per share were paid on common stock plus extras of 5¢ and 10¢ per share for a total of 75¢ per share.

OUTLOOK

Our greatest problem on the domestic market is in obtaining satisfactory margins for the products we sell. Competition has been very severe, mainly as a result of excess milling capacity. With all Canadian mills expecting to operate at higher capacities, there is hope there will be a lessening of this pressure on prices during the coming year.

We will take every step necessary to protect our volumes and we expect moderate increases in domestic sales of flour, cereals, animal and poultry feeds.

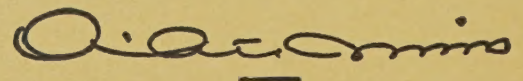
Exports to traditional markets will show some further decline due to the building of new flour mills abroad. However, due to the large sale made to the U.S.S.R., which is double the total sales made during the past year to that country, our export shipments will be considerably higher than during the year just completed.

The Starch and Chemical Division and Catelli continue to show progress and should achieve new records in sales and earnings.

The outlook for the coming year is favourable.

PERSONNEL

It is a pleasure to record our thanks to our devoted officers and staff whose efforts made possible the encouraging results of the past year.



PRESIDENT

Montreal, Quebec,
27th October 1965

Five year Statistical Summary

In 000's of dollars

	1965	1964	1963	1962	1961
Sales	\$107,167	\$127,443	\$105,340	\$102,970	\$106,761
Earnings from operations *	4,716	4,943	3,753	3,843	3,904
Investment income *	725	606	634	642	762
Income taxes *	2,372	2,428	1,904	2,001	2,189
Net income before profit on sale of investments and fixed assets *	3,069	3,121	2,482	2,485	2,478
Profit on sale of investments and fixed assets *	1,088	610	610	460	692
Net income after deducting minority interest	4,104	3,535	2,864	2,726	2,878
Working capital including investments at market value	27,943	28,541	25,579	24,846	27,931
Additions to fixed assets	1,587	1,739	2,154	2,280	1,585
Fixed assets less accumulated depreciation	18,253	18,719	19,002	18,941	18,638
Long term debt	1,600	2,000	2,430	3,060	4,165
* before deducting minority interest					
Per common share					
Income excluding profit on sale of investments and fixed assets	.96	.93	.70	.71	.72
Total income	1.32	1.13	.91	.86	.92
Dividends	.75	.75	.60	.60	.56
Net worth including investments at market value	14.94	14.78	13.83	13.44	13.92



1

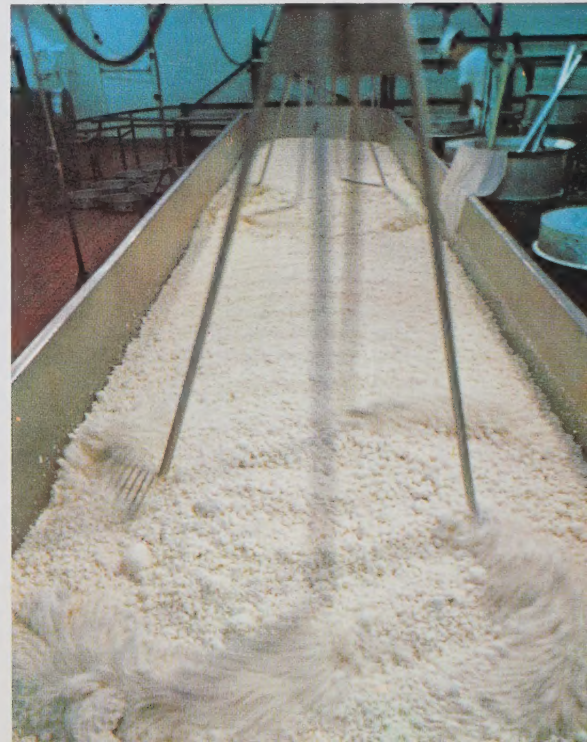


2

1. Our large Montreal flour mill forms part of the city's fast growing skyline
2. Rapid processing of operating data provides management with current information
3. Modern consumers of flour make increasing use of bulk delivery
4. Very recent addition to our spray milk powder operations is new plant for production of cheddar cheese



3





5



6



7



8



9

5. Measuring extensibility of wheat flour dough in our modern research facilities to develop superior baking quality
6. Catelli produces a wide variety of pasta products in its plants across Canada
7. Large commercial egg laying operation forming part of experimental feed research
8. Jams, soups and pickles broaden Catelli's range of products. Shown are soup kettles in production
9. Fundamental research into modification of wheat starch helps in development of new products

Consolidated Balance Sheet

The Ogilvie Flour Mills Company, Limited

AT 31st AUGUST 1965

	1965	1964 (Note 1)
Current assets		
Cash	\$ 1,017,000	\$ 930,000
Accounts receivable	11,210,000	11,753,000
Inventories — at lower of cost or market (note 2) (including purchases for account of the Canadian Wheat Board)	16,529,000	15,016,000
Investment in marketable securities — at cost (note 2) (quoted market value : 1965 \$14,307,000; 1964 \$14,242,000)	7,258,000	3,908,000
Prepaid expenses	529,000	619,000
	<u>36,543,000</u>	<u>32,226,000</u>
Current liabilities		
Bank loans (secured)	3,889,000	4,198,000
Notes payable	3,250,000	1,350,000
Loans from directors, officers and shareholders	247,000	312,000
Accounts payable and accrued liabilities	6,072,000	5,830,000
Serial debentures due 1st November	400,000	230,000
Income and other taxes	1,007,000	1,316,000
Dividends payable	784,000	783,000
	<u>15,649,000</u>	<u>14,019,000</u>
Working capital	<u>20,894,000</u>	<u>18,207,000</u>
Other assets		
Shares in other companies — at cost	2,428,000	2,279,000
Loans and mortgages (note 2)	2,249,000	1,683,000
Fixed assets — land, water power, buildings, machinery and equipment — at cost less accumulated depreciation	18,253,000	18,719,000
(Accumulated depreciation 1965 \$29,905,000; 1964 \$28,921,000 note 3)	<u>22,930,000</u>	<u>22,681,000</u>
Other liabilities		
Long term debt (note 4)	1,600,000	2,000,000
Income tax reductions applicable to future years	1,467,000	1,191,000
Minority interest in subsidiary companies	61,000	1,736,000
	<u>3,128,000</u>	<u>4,927,000</u>
Excess of assets over liabilities	<u>40,696,000</u>	<u>35,961,000</u>
Reserve for net cost of estimated past service pension benefits	925,000	—
Shareholders' equity		
Preferred stock		
Authorized and issued		
80,000 seven per cent cumulative shares of \$25 each (may be purchased for cancellation with the consent of the holders thereof respectively)	2,000,000	2,000,000
Common stock (note 5)		
Authorized : 4,000,000 shares of no par value		
Issued : 1965 — 3,000,156 shares; 1964 — 2,995,956 shares ...	7,043,000	6,993,000
Retained earnings		
Rest account	—	5,000,000
Earned surplus	30,728,000	21,968,000
	<u>\$40,696,000</u>	<u>\$35,961,000</u>

Approved on behalf of the Board

A. ATKINS }
L. J. BELNAP } Directors

Consolidated Statement of Income and Expenditure

FOR THE YEAR ENDED 31st AUGUST 1965

	1965	1964 (note 1)
Net sales	<u>\$107,167,000</u>	<u>\$127,443,000</u>
Earnings from operations before the following deductions	7,065,000	7,278,000
Debenture interest	119,000	136,000
Depreciation (note 3)	2,053,000	2,022,000
Remuneration of directors, including salaries as officers	177,000	177,000
	<u>2,349,000</u>	<u>2,335,000</u>
	4,716,000	4,943,000
Investment income	725,000	606,000
	<u>5,441,000</u>	<u>5,549,000</u>
Income taxes	<u>2,372,000</u>	<u>2,428,000</u>
Net income for year before profit on sale of investments and fixed assets	3,069,000	3,121,000
Profit on sale of investments and fixed assets (note 2)	1,088,000	610,000
Net income for year before deducting minority interest	4,157,000	3,731,000
Minority interest	53,000	196,000
Net income for year	<u>\$ 4,104,000</u>	<u>\$ 3,535,000</u>

Consolidated Statement of Earned Surplus

FOR THE YEAR ENDED 31st AUGUST 1965

Balance at 31st August 1964		\$18,229,000
Add :		
Adjustment, as at 31st August 1964, to reflect the inclusion of certain subsidiary companies not previously consolidated (note 1)		3,739,000
Adjusted surplus at 31st August 1964		21,968,000
Reserves transferred (note 2)		4,195,000
Rest account		5,000,000
		<u>31,163,000</u>
Deduct :		
Excess of cost of shares, acquired during the year, of subsidiary companies over the proportionate book value of net assets	1,112,000	
Pension fund and pension payments with respect to past service	235,000	
Less related income tax credit	<u>122,000</u>	113,000
Reserve for net cost of estimated past service pension benefits	925,000	2,150,000
		<u>29,013,000</u>
Add :		
Net income for year		4,104,000
		<u>33,117,000</u>
Deduct dividends :		
On preferred stock	140,000	
On common stock		
Regular	1,799,000	
Extra	<u>450,000</u>	2,249,000
		<u>2,389,000</u>
Balance at 31st August 1965		<u>\$30,728,000</u>

Notes to Consolidated Financial Statements

NOTE 1 — Principles of consolidation — The accompanying financial statements include the accounts of all the subsidiary companies at 31st August 1965. The adjustment arising from the inclusion of certain subsidiary companies not previously consolidated is as follows :

Earnings of subsidiary companies from date of acquisition, not previously consolidated	\$3,583,000	
Reserve previously applied against investment in the above subsidiary companies	492,000	\$4,075,000
Less :		
Excess of cost of shares of subsidiary companies, not previously consolidated, over the proportionate book value of net assets	4,097,000	
Deduct :		
Net surplus arising from consolidation at 31st August 1964	3,761,000	336,000
Amount transferred to credit of earned surplus		<u>\$3,739,000</u>

For comparative purposes the financial statements at 31st August 1964 have been restated to reflect the inclusion of those subsidiary companies not consolidated at that date.

NOTE 2 — Reserves transferred to earned surplus — The following reserves were transferred to earned surplus at 1st September 1964 :

Marketable securities	\$3,526,000
Loans and Mortgages	23,000
Inventories	646,000
	<u>\$4,195,000</u>

The reserve against the cost of marketable securities arose in part by profits realized on partial disposals of individual holdings of investments being applied against the cost of the remaining holdings of such investments. The change in the method of costing such investments at 1st September 1964 resulted in a decrease of \$73,000 in the profit on sale of investments for the year ended 31st August 1965.

NOTE 3 — Depreciation — Accumulated depreciation on motor trucks and automobiles previously applied against the cost of such assets has now been included in accumulated depreciation. The accumulated depreciation at 31st August 1964 has been restated on this basis to include an amount of \$485,000. The annual charge relative to the above, previously included as expense other than depreciation, has been included as depreciation for the year ended 31st August 1965. The charge for the year ended 31st August 1964, amounting to \$135,000 has been restated on this basis.

NOTE 4 — Long term debt. — Catelli Food Products, Ltd. debentures (secured)

5¾ % Serial debentures maturing to the extent of \$224,000 on 1st November 1965 - 69 inclusive	\$1,120,000
6% Serial debentures maturing to the extent of \$176,000 on 1st November 1965 - 69 inclusive	880,000
	<u>2,000,000</u>
Less debentures due 1st November 1965 included with current liabilities	400,000
	<u>\$1,600,000</u>

NOTE 5 — Capital stock options — Of the authorized and unissued common shares, 154,800 shares were reserved at 31st August 1964 under a stock option plan for officers and employees of the Company, of which 4,200 shares were issued during the year ended 31st August 1965. In accordance with the plan the following shares were under option :

Balance at 31st August 1964 :	50,800 shares at \$11.925 per share
	<u>2,000 shares at \$13.00 per share</u>
	52,800 shares
Granted during year	<u>12,000 shares at \$12.15 per share *</u>
	64,800 shares
Less options exercised during year	
for cash consideration	<u>4,200 shares at \$11.925 per share</u>
Balance at 31st August 1965	<u>60,600 shares</u>

* Market price at date of granting of option \$13.50 per share.

NOTE 6 — Foreign currency accounts — Accounts originating in foreign currencies have been converted into Canadian dollars as follows :

Fixed assets at the rates of exchange prevailing at the date of acquisition of such assets. Other assets and liabilities at the rates of exchange at 31st August 1965.

Source and Application of Funds

FOR THE YEAR ENDED 31st AUGUST 1965

Funds were obtained from

Net income	\$4,104,000
Depreciation	2,053,000
Income tax reductions applicable to future years	276,000
Proceeds from sale of common stock	50,000
Other sources	<u>57,000</u>
	<u>6,540,000</u>

Funds were used to

Pay past service benefits, less income tax	113,000
Pay dividends to shareholders	2,389,000
Increase investment in shares of other companies	149,000
Increase loans and mortgages	566,000
Increase net investment in fixed assets	1,587,000
Reduce long term debt	400,000
Purchase additional shares of subsidiary companies	<u>2,844,000</u>
	<u>8,048,000</u>

Decrease in working capital	1,508,000
Reserves transferred, previously applied against assets	<u>4,195,000</u>
Increase in working capital after transfer of reserves	<u>\$2,687,000</u>

Auditors' Report to the Shareholders

To the Shareholders,
The Ogilvie Flour Mills Company, Limited

We have examined the consolidated balance sheet of The Ogilvie Flour Mills Company, Limited at 31st August 1965 and the related statements of income and expenditure and earned surplus for the year ended on that date. Our examination of the financial statements of The Ogilvie Flour Mills Company, Limited and those subsidiary companies of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiary companies.

In our opinion the accompanying consolidated balance sheet and related statements of income and expenditure and earned surplus present fairly the financial position of the Company and its subsidiary companies at 31st August 1965 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year with the exceptions as shown in note 2.

Montreal, 22nd October 1965

Creak, Cushing & Hodgson
Chartered Accountants



In the familiar red, white and blue bag — Five Roses Flour — Canada's most respected name in home baking.



Delicious, nourishing Ogilvie Oats. The hot, wholesome breakfast with the good taste of Canada's finest selected oats.



Twinkle — Canada's leading pouch package cake mix. Available in an ever-growing variety of tempting flavors.



Catelli — from coast to coast, the best-loved name in spaghetti and macaroni.



Uniquely French-Canadian — Habitant Pea Soup and other fine Habitant products — favourites throughout Canada.



Dyson's Pickles in the West, and Habitant Pickles in the East — crisp, delightful additions to meals or hors-d'oeuvres.

Your company goes into millions of Canadian homes

100-258-5

TO OUR
SHAREHOLDERS

THE
OGILVIE
FLOUR
MILLS
COMPANY
LIMITED

JAN 2, 1965

Enclosed herewith is your January 2nd, 1965 dividend cheque of 15¢ per common share.

A REPORT TO OUR SHAREHOLDERS

As many of you were unable to attend the Company's Annual Meeting on December 5th, we believe you will be interested in this synopsis of the meeting.

Shares represented at the meeting were: Common, 1,969,830 of 2,995,956 — 65.6%. Preferred, 56,387 of 80,000 — 70.4%.

MR. A. ATKINS, PRESIDENT OF THE COMPANY, ADDRESSED THE MEETING AS FOLLOWS:

Ladies and Gentlemen:

The year we have just closed has been a very busy one for your Company — one of record production and profits.

The large orders for flour received from Russia were instrumental in creating these records. However, it has been pleasing to note that practically all departments made progress during the year and assisted materially in creating these records.

While a very busy year, it was a pleasant type of year in that most of our problems originated in getting the output from our mills to meet contracts and not, as is so often the case, in endeavouring to find orders with which to fill our mills.

The equivalent of fourteen million 100-lb. bags were involved in the sale to Russia, and it is a credit to the Canadian milling industry that this flour was de-

livered on schedule and there were no hold-ups of vessels at any time during the contract.

During the latter part of the year we were asked to postpone certain shipments, as Cuba became overstocked with flour. However, the last shipment left Canada during the early part of September.

All of this flour was paid for promptly on submission of a clear ocean bill of lading.

During the latter part of October, a further sale of over half a million cwts. of flour was made to Russia, for shipment to Cuba during the months of November and December. We obtained over 40% of this order. The first vessel loaded last week at Montreal, and two other vessels will load at Halifax during the present month.

It is a reasonable assumption that there will be further orders of this kind during the balance of this year.

So far, there has been no indication that flour will be needed for shipment to Russia.

The results for the first two months of operations since the end of our financial year are encouraging. While these earnings are moderately lower than the record set last year, they are above the average and, in fact, are the second highest of recent years.

Domestic sales in all departments have been satisfactory and we expect will show moderate increases during the year. Sales to normal export markets will be slightly lower than in the previous year. However, we are expecting increased shipments to Government agencies for distribution to developing and needy countries.

It is quite evident that competition for both domestic and export business will be keener than during last year.

The first two months' results of our Poultry Division at Edmonton show an improvement over last year.

The Starch, Gluten and Chemical Division continues to expand its sales and a moderate expansion of our production facilities is presently under way.

Catelli Food Products, our largest subsidiary, continues to show sales increases and should have a satisfactory year.

In the baking field, in the West, McGavin ToastMaster Limited, in which we have a large interest, is showing improved earnings over last year.

Our bakery affiliates in Eastern Canada are continuing to have a difficult time. However, I am pleased to say that after suffering heavy losses during the early part of the year, a marked improvement has been shown in the last few months as compared to the same months a year ago.

Now, a few words about Canada's wheat crop. This year's western wheat crop is estimated to be about 575,000,000 bushels, which is well above an average crop. It was harvested under varying conditions and, as a result, there is a multiplicity of grades which will be of assistance to the Canadian Wheat Board in their selling policies.

Although of varying grades, the crop is of good baking quality and Canadian mills will be able to supply the same high quality flour as that supplied in previous years.

It is expected that Canadian hard spring wheat prices will remain fairly firm during the current year. However, we have

just witnessed a sharp drop in Durum prices, which drop was originated by the United States. This drop was to be expected, as there is on hand in the American continent sufficient Durum wheat to take care of domestic use and normal exports for a period of three to four years. It is only a few years ago that we had a shortage of this type of wheat; prices rocketed, acreages increased and, as a result, we now have this large surplus. I therefore expect that Durum wheat will sell at a discount under hard spring wheat prices until supplies are more in line with the demand.

During the past few years the number of our shareholders has practically doubled and has now reached a total of approximately 7,000. 98% of our common stock is held by residents of Canada. In view of the large number of new shareholders, I feel it would be appropriate to make a few remarks with regard to the Company.

While the report you will be asked to approve today is the 62nd annual report of the present company, its origin — through predecessor companies — dates back to 1801.

The present company was formed in 1902 and commenced paying dividends in 1904. Since that time this company has not missed paying a dividend, nor have the regular dividends been reduced at any time during this 62-year period, although extras paid have been varied from time to time.

There have been many increases in dividends and the original stock, through rights and by sub-division, has been increased to where the original \$100 par common share is now represented by 192 shares of no par value. It has been the policy of the company to pay out a large

share of its operating earnings. Your directors intend to continue this policy.

During recent years the milling industry and our company has been faced with declining export markets, which will undoubtedly continue in the future, but at a lesser rate than during the past over the years.

By acquisition and by diversification the loss of earnings from this business has been absorbed and the earnings of your company have steadily increased over the years.

While there may at times be ups and downs in the earnings picture, by continuing the policies of the past, your Company will continue to expand.

It is difficult and therefore unwise at this time of the year to predict the year's earnings. However, the first two months of the year are encouraging and if our projection of sales and the conditions prove well founded, I am reasonably certain that we will have a year of good earnings.

aucun doute à l'avenir mais à un rythme plus lent que durant les 10 dernières années.

La perte de revenu des marchés d'exportations a été absorbée et par acquisition et diversification les bénéfices de votre compagnie ont constamment augmenté au cours des années.

Quoi que les bénéfices de la compagnie peuvent augmenter et diminuer de temps à autre, votre compagnie poursuivra son expansion en continuant la politique du passé.

Il est difficile et donc peu sage de prévoir aujourd'hui les bénéfices qui vont provenir de cet exercice financier. Les 2 premiers mois de l'année sont cependant encourageants et, si nos prévisions des ventes et des conditions économiques s'avèrent justes, je suis assez certain que cette année en sera une de bons bénéfices.

Il y a seulement quelques années, nous avons connu une pénurie de cette variété de blé; les prix avaient monté en flèche, les superficies enssemencées avaient été accrues, ce qui se traduit aujourd'hui par cet important surplus. Je crois donc que le prix du blé Durum sera inférieur à celui du blé dur de printemps, jusqu'à ce que les stocks correspondent aux besoins du marché.

Durant ces quelques dernières années, le nombre de nos actionnaires a presque doublé et atteint approximativement aujourd'hui un total de 7,000. 98% de nos actions ordinaires sont détenues par des résidents du Canada. En considération du grand nombre des nouveaux actionnaires, j'estime qu'il serait approprié de faire quelques remarques en ce qui concerne la compagnie.

Quoique le rapport soumis à votre approbation aujourd'hui soit le 62ième rapport annuel de la présente compagnie, son origine par l'intermédiaire des anciennes compagnies remonte à 1801.

La présente compagnie a été fondée en 1902 et a commencé à payer des dividendes en 1904. A partir de cette date cette compagnie n'a jamais manqué de payer un dividende et les dividendes réguliers n'ont jamais été réduits à aucun moment pendant cette période de 62 ans quoique les dividendes additionnels ont changé de temps en temps.

On a enregistré de nombreuses augmentations de dividendes et le capital, par droits de souscrire et subdivision, a augmenté de telle façon que l'action ordinaire originale au pair de \$100.00 est maintenant représentée par 192 actions sans valeur au pair. Il a été la politique de la compagnie de distribuer une part importante de ses bénéfices d'exploitation. Vos directeurs ont l'intention de poursuivre cette dite politique.

Dans ces derniers temps l'industrie de la minoterie, notre compagnie comprise, a dû faire front à un marché d'exportations décroissant qui se maintiendra sans

La division d'Amidon, de Gluten et de Produits Chimiques poursuit l'expansion de ses ventes et une expansion de nos moyens de production, quoique plus légère, est présentement en cours.

Produits Alimentaires Catell! Ltée, notre plus importante filiale, indique toujours une augmentation des ventes, ce qui laisse prévoir une année satisfaisante. Notre boulangerie filiale dans l'Ouest Canadien, McGavin ToastMaster Limited, dans laquelle nous avons d'importants intérêts, indique une augmentation de ses bénéfices en comparaison de l'année dernière.

Nos boulangeries filiales à l'Est du Canada, continuent à rencontrer quelques difficultés. Je suis heureux cependant de constater qu'après avoir subi de lourdes pertes pendant la première partie de l'année, ces compagnies enregistrèrent ces derniers mois une amélioration par rapport aux mêmes mois de l'année dernière.

Quelques mots maintenant au sujet des récoltes de blé au Canada. On estime la récolte de l'Ouest de cette année à environ 575,000,000 de boisseaux — total bien supérieur à une récolte moyenne. Elle a été moissonnée dans des conditions variées, ce qui a eu pour effet une multiplicité de qualités et aidera ainsi la Commission Canadienne du Blé dans sa politique de vente.

Bien que de qualités diverses, la récolte est de bonne qualité boulangère et les meuneries canadiennes pourront produire une farine d'aussi bonne qualité que celle des années précédentes. On s'attend à ce que les prix du blé dur canadien de printemps se maintiennent à peu près pendant l'année courante. Nous avons cependant enregistré une baisse aiguë des prix du blé Durum — baisse qui a eu son origine aux Etats-Unis. Cette baisse était à prévoir d'ailleurs, car la quantité de blé Durum sur le Continent Américain suffit pour alimenter le marché domestique et le marché étranger régulier pour une période de 3 ou 4 années.

Pendant la dernière partie de l'année, on nous a demandés de retarder certains chargements comme Cuba ne pouvait plus absorber les stocks de farine. Malgré cela, le dernier chargement a quitté le Canada au début de septembre.

Toute cette farine a été payée promptement sur simple présentation d'un connaissement transocéanique.

Durant la dernière partie d'octobre une vente supplémentaire de quelques 500,000 sacs de 100 livres de farine a été faite à la Russie pour livraison à Cuba pendant les mois de novembre et de décembre. Nous avons obtenu plus de 40% de cette commande. Le premier cargo a été chargé la semaine dernière à Montréal et 2 autres cargos feront leur chargement à Halifax ce mois-ci. Il est vraisemblable que nous obtiendrons des commandes similaires pendant le reste de l'année.

Pour le moment il n'y a aucune indication que la Russie achètera plus de farine pour sa propre consommation. Les résultats des 2 premiers mois d'opérations depuis la fin de notre exercice financier sont encourageants. Bien que nos bénéfices soient quelque peu inférieurs au record établi l'an dernier, ils dépassent la moyenne et viennent, en fait, au second rang des récentes années.

Les ventes domestiques de toutes les divisions ont été satisfaisantes et nous espérons qu'elles augmenteront légèrement pendant l'année. Les ventes vers les marchés normaux d'exportations seront légèrement inférieures à celles des années précédentes. Nous nous attendons cependant à une augmentation des ventes aux agences gouvernementales pour distribution aux pays en développement. Il est bien évident que la concurrence, à la fois sur le marché domestique et étranger, sera plus forte que l'année dernière.

Les résultats des 2 premiers mois de notre division des Volailles à Edmontont ont surpassé ceux de l'année dernière.

Ci-joint se trouve votre chèque de
dividende de 15¢ par action au
2 janvier 1965.

RAPPORT À NOS ACTIONNAIRES

Lors de notre Assemblée annuelle du 5 décembre, plusieurs d'entre vous ayant été dans l'impossibilité d'assister, nous croyons vous plaire en vous faisant parvenir ce résumé.

Les actions représentées à l'Assemblée étaient: Ordinaires, 1,969,830 sur 2,995,956 — 65.7%; Privilégiées, 56,387 sur 80,000 — 70.4%.

M. A. ATKINS, PRÉSIDENT DE LA
COMPAGNIE, S'ADRESSA À L'ASSEMBLÉE DE
LA FAÇON SUIVANTE.

Mesdames et Messieurs,

L'année qui vient de s'écouler en a été une très achalandée pour votre compagnie — une année de production et de profits sans précédent.

Les importantes commandes de farine passées par la Russie ont aidé à atteindre ces records. Il est pourtant agréable de noter que presque toutes les divisions ont progressé pendant l'année et ont aidé matériellement à atteindre ces résultats.

Bien que très affairée, ce fut une bonne année, vu que la plupart de nos problèmes ont consisté d'obtenir de nos meuneries la production nécessaire à satisfaire les contrats et non pas, comme c'est souvent le cas, à chercher des commandes pour donner du travail à nos meuneries.

L'équivalent de 14,000,000 de sacs de 100 livres a été vendu à la Russie et c'est tout à l'honneur de l'industrie de meunerie canadienne que cette farine ait été livrée à l'heure dite et que les navires n'aient été jamais retardés pour la durée du contrat.

AR30

THE
OGILVIE
FLOUR
MILLS
COMPANY
LIMITED

A NOS
ACTIONNAIRES